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CENTRAL INTELLIGENCE GROUP

INTELLIGENCE REPORT

COUNTRY Germany/Russian Zone

DATE: 25X1A6a

SUBJECT Results of Agrarian Reform

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ORIGIN [REDACTED]

SUPPLEMENT

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1. Source estimates that the 1946 harvest averaged 45-55% higher on old farms than on new ones. He estimates that the yield from new farms was about 40% of the yield achieved from the same land before. He attributes this chiefly to the lack of knowledge among the new farmers and in part to the lack of fertilizer, machinery, and tools. Seed was 40% short and fertilizer was available for only 8% of the demand.
2. The Farmers' Mutual Assistance Societies play a leading role. They are managed by the SED, which thus controls rural life. Their main function is to provide for cooperative solution of all problems; for example, farmers who filled their own quota were forced to turn over their surplus to those who were unable to do so. According to source, the old farmers consider this a punishment of their skill and industry. Some 70% of the farmers in the Russian Zone belong to these societies. Of this number some 20% are old farmers. There are 7,199 cooperatives in the zone, with 726,881 members. The latter are mainly small farmers and rural artisans. The cooperatives furnish them with capital at low rates, supply them with seed, and sell their produce.
3. It is estimated that 19,000 of the new farmers have abandoned their farms because they were unable to support themselves on them. Many new farmers left their farms when they found better living conditions elsewhere or a chance to return to their previous occupations. Some 4% of the new farmers were evicted by the government for lack of farming ability.
4. The Central Administration of Agriculture and Forestry has established a special committee for "Rural Building". No decision has been reached as yet on whether to build new villages or to fit the new housing into existing villages. It is estimated that, of the

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X DECLASSIFIED

Class. CHANGED TO: TS S C

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By: 029

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383,519 new farms created by the agrarian reform, some 200,000 require new buildings, viz.:

Mecklenburg	67,000
Brandenburg	60,000
Saxony Anhalt	46,000
Saxony	21,000
Thuringia	11,000

It is estimated that fifteen billion marks will be required for this building program. Each new farmer is allowed a credit of 6000 RM, of which 4500 RM is for building.

Source's Comment: Experts agree that 10-12,000 RM are barely sufficient for this purpose.

In some provinces "Rural Building Cooperatives" have been formed to take over this task.

5. It is estimated that 3800 new farm buildings have been erected in the Russian Zone and 1500 old ones repaired. In addition, some 12,000 new buildings are partially completed. Plans call for building individual farm houses. Any tenement-type construction will be rare. The plans provide for 50 square meters stall space and the same amount for living space. Farm workers' homes have been repaired but few new homes have resulted. The larger owners' homes have been used to house several families each, but without any renovation or repair in most cases.

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